GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:4579
ANSWERED ON:12.08.2016
Improve Functioning in Banks
Shah Smt. Mala Rajya Laxmi

Will the Minister of FINANCE be pleased to state:

(a) whether the Government has any proposals/plans for improving the functioning in State Bank of India;

(b) if so, the details thereof;

(c) whether the Government privatise some of the works for improving the functioning of the banks; and

(d) if so, the details thereof?

Answer

The Minister of State in the Ministry of Finance

(a) to (d): Government has prescribed key performance indicators including profitability and reduction in Non-Performing Assets (NPAs) to be achieved by all Public Sector Banks including State Bank of India. RBI Guidelines on Managing Risks and Code of Conduct in Outsourcing of Financial Services by banks states that banks which choose to outsource financial services should not outsource core management functions including Internal Audit, Compliance function and decision-making functions like determining compliance with KYC norms for opening deposit accounts, according sanctions for loans (including retail loans) and management of investment portfolio.
****